

PCS1 (Pacific Centrex Services) and Free Choice Communications are sister companies utilizing the SBC network to deliver services; C-LEC Company No. 3662/3663 and 5969/8493, respectively. We hereby submit our argument/comments against (a) Part V of the TPV procedure; and (b) the hefty fines.

Part "v" of the TPV procedure specifies that the TPV must include "the telephone numbers to be switched." If we are interpreting this correctly it implies that all telephone numbers in the customer's account must be included in the TPV. This is exactly the same language that appears in the FCC rules, so we assume the Commission borrowed it verbatim directly from the FCC rulebook. This concerns us because we recently lost a FCC case because the TPV contained only the customer's main number and did not include the customer's 7 additional numbers which were billed under the main number. (We are appealing the ruling.) Herein lies the problem; if the Commission also adopts the FCC's interpretation, then the potential fines would pose an undue financial burden to our companies.

At the time we solicit a prospective customer we are only in possession of the subscriber's main telephone number, commonly referred to as the Billing Telephone Number ("BTN") or Account Telephone Number ("ATN"). We do not have the information for the lines/numbers which are billed under the BTN/ATN. Furthermore, we cannot look at the customer's records until AFTER they have completed the TPV verification stage. This is not a problem with residential accounts, as they typically possess only 1 or 2 access lines. It becomes a big problem with business accounts because most subscribe to multiple lines; they do not know their total number of lines, let alone each specific telephone number. While they may refer to their AT&T (SBC) invoice, SBC bills are generated in such a way that if a certain number does not incur usage, it does NOT appear on the bill. (As a C-LEC utilizing the SBC network, we target only SBC customers.) Business accounts often dedicate specific lines for incoming calls and therefore these lines do not generate usage charges. Further, the numbers are usually not aggregated in a specific portion of the bill; they are scattered over multiple pages, thus making it difficult for the customer to identify each telephone number and therefore the total number of lines. It is common knowledge that the longer the call takes and the more "work" on the customer's part during the solicitation stage, the higher the likelihood the sale will be lost because people are simply too busy or too impatient or both. The customer will tolerate only so much "information probing" from the sales rep. Re-doing the TPV will not work either because having to do so would again force the customer to do extra "work." As it stands now we often get heat from customers upon our second call - the Quality Control call.

As part of the order verification process, and aside from the required TPV, we employ a Quality Control recording ("QC") which is live and interactive.

It goes over the same questions as contained in the TPV, questions for which we must obtain an unqualified "YES." Further, it outlines the customer's current

service configuration, accounts for any special services not included in our Interconnection Agreement and therefore not deliverable, verifies the product/service along with the rate plan, and allows for any questions or concerns which the customer may have. Since the QC call takes place POST TPV, the QC DOES include ALL telephone numbers in the customer's account. As far as we know we are the only company who employs this second type of verification stage. However, our concern is that since the QC is not conducted by an independent third party, it may not satisfy the Resolution's conditions with respect to Part 5 of the TPV.

So as you can see we are forced into a "catch-22" situation. We cannot pull Customer Service Records/CPNIs prior to the TPV stage; however this Resolution demands that we include ALL telephone numbers at the time we record the TPV. And if we pull records prior to the TPV, we would be in violation of all sorts of rules. I would like to point out that SBC does not have this problem because they have 100 percent of the customer's information. After all, all of our customers are former SBC subscribers.

Our churn is highest during the first 90 days after we acquire a customer. Of these customers who leave us during this initial 90-day period, 99 percent are lost to SBC due to a very aggressive win-back program employed by SBC. (Winback reps slander us every chance they get. Customers are told that we purport to be affiliated with SBC, that we are under investigation for slamming, and that they can have their switchback/installation fees waived if they file a complaint with the CA PUC. We have the documented evidence. SBC/AT&T has the brand recognition; we do not. As a result the customer is quick to side with SBC, no questions asked. This matter has been forwarded to our attorneys, who are in the process of filing an action against SBC/AT&T.) Therefore 9 times out of 10 the customer's line configuration will have remained unchanged at the time they switch back to SBC, and therefore part 5 of the TPV procedure is potentially not as detrimental to SBC than it is to us.

As for the fines, as a small business we feel they are unreasonably high. Whereas a minimum of \$500 fine per occurrence and a \$20,000 cap in any one 90-day period is excessive for us, it is pocket change for SBC/AT&T.

In our view we feel the rules are once again being written in favor of the big monopolies with deep pockets. And the little guys are left high and dry - very anti-competitive. Everyone knows that one of the Commission's main roles is to protect the consumer. However, the responsibility should not end there. An equally important role of the Commission should be to ensure a level playing field for all carriers involved. As a small business we cannot afford the steep fines proposed in this Resolution. They could literary put us out of business.

With respect to part 5 of the TPV, since Customer Service Records refer to the customer's main telephone number as the "ATN" (account telephone number), we propose that part "v" of the TPV be amended to read, "the account telephone

numbers to be switched. Numbers billed under the account telephone number are considered duly authorized"

With respect to the fines, for smaller carriers we propose a fine not higher than \$50 per occurrence with a \$1,000 cap in any one 90-day period.

Fines for multi-billion dollar companies such as SBC/AT&T should be increased to \$10,000 and \$100,000,000, respectively. Worst case, any fines levied should be in relative proportion to each carrier's customer base and market cap.

Comments submitted by James Moreno for PCS1.